

AMENDED IN SENATE JUNE 9, 2003  
AMENDED IN ASSEMBLY MAY 12, 2003  
AMENDED IN ASSEMBLY APRIL 28, 2003  
AMENDED IN ASSEMBLY APRIL 7, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 706**

**Introduced by Assembly Member Maldonado**

February 19, 2003

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An act to add Section 61600.3 to the Government Code, relating to community services districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 706, as amended, Maldonado. Community services districts.

~~Existing law provides for the formation of community services districts that are authorized to provide designated services~~

*The Community Services District Law authorizes a district to borrow money and incur or assume indebtedness subject to certain limitations.*

This bill would additionally permit the Los Osos Community Services District, ~~if it is authorized to collect, treat, or dispose of sewage, waste, and stormwater and is required by law or a state agency to construct or improve sewer facilities,~~ to borrow money *consistent with these provisions* for the purpose of making loans to property owners within the district to ~~fund sewer improvements on their private property related to the required sewer construction or improvements of the district~~ *pay for the costs of decommissioning septic systems and constructing lateral connections on private property to facilitate the*

connection of those properties to the district's wastewater treatment system. The bill would authorize the district to have debt payments or any delinquency collected with property taxes and to secure the loan by recording a lien, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 61600.3 is added to the Government  
2 Code, to read:

3 ~~61600.3. If the Los Osos Community Services District is~~  
4 ~~authorized to collect, treat, or dispose of sewage, waste, and~~  
5 ~~stormwater pursuant to subdivision (b) of Section 61600 and is~~  
6 ~~required by law or a state agency to construct or improve sewer~~  
7 ~~facilities, that district may borrow money from public or private~~  
8 ~~lenders for the purpose of making loans to property owners within~~  
9 ~~the district to fund sewer improvements on their private property~~  
10 ~~related to the construction or improvements the district is required~~  
11 ~~to construct~~

12 61600.3. (a) *The Los Osos Community Services District may,*  
13 *consistent with Section 61613, borrow money from public or*  
14 *private lenders and loan those funds to property owners within the*  
15 *district to pay for the costs of decommissioning septic systems and*  
16 *constructing lateral connections on private property to facilitate*  
17 *the connection of those properties to the district's wastewater*  
18 *treatment system.. The district shall lend money for this purpose*  
19 *at rates not to exceed its cost of borrowing and the district's costs*  
20 *of making the loans. The district may require that the borrower pay*  
21 *the district's reasonable attorney's fees and administrative costs in*  
22 *the event the district is required to take legal action to enforce the*  
23 *provisions of the contract or note securing the loan.*

24 ~~The~~

25 (b) *The district may elect to have the debt payments or any*  
26 *delinquency collected on the tax roll pursuant to the procedures in*  
27 *Section 61621.2.*

28 ~~In order to~~

29 *To secure the loan as a lien on real property, the district shall*  
30 *follow the procedures for the creation and recordation of special*



1 tax liens in Section 53328.3 of this code and Section 3114.5 of the  
2 Streets and Highways Code.

3 SEC. 2. The Legislature finds and declares that many  
4 low-income property owners in the Los Osos Community Services  
5 District cannot afford to make the necessary connections to the  
6 wastewater system without the financial assistance that this act  
7 will enable the district to provide. The Legislature further finds  
8 and declares that this need is not common to all districts formed  
9 under the Community Services District Law. It is therefore  
10 declared that a general law cannot be made applicable within the  
11 meaning of Section 16 of Article IV of the Constitution, and that  
12 enactment of this act as a special law is necessary for the solution  
13 of problems existing in the Los Osos Community Services  
14 District.

